

“(II) the national percentage (as specified under subparagraph (B) for the year) of the input-price-adjusted national adjusted capitation rate for the year, as determined under subparagraph (D),

multiplied by a budget neutrality adjustment factor determined under subparagraph (E).

“(ii) An amount equal to—

“(I) in the case of 1997, 80 percent of the input-price-adjusted national adjusted capitation rate for the year, as determined under subparagraph (D); and

“(II) in the case of a succeeding year, the amount specified in this clause for the preceding year increased by the national average per capita growth percentage specified under subparagraph (F) for that succeeding year.

“(iii) An amount equal to—

“(I) in the case of 1997, 102 percent of the annual per capita rate of payment for 1996 for the medicare payment area (determined under this subsection, as in effect on the day before the date of enactment of the Health Insurance Reform Act of 1995; and

“(II) in the case of a subsequent year, 102 percent of the adjusted capitation rate under this subsection for the area for the previous year.

“(B) For purposes of subparagraph (A)(i)—

“(i) for 1997, the ‘area-specific percentage’ is 90 percent and the ‘national percentage’ is 10 percent,

“(ii) for 1998, the ‘area-specific percentage’ is 85 percent and the ‘national percentage’ is 15 percent,

“(iii) for 1999, the ‘area-specific percentage’ is 80 percent and the ‘national percentage’ is 20 percent,

“(iv) for 2000, the ‘area-specific percentage’ is 75 percent and the ‘national percentage’ is 25 percent, and

“(v) for a year after 2000, the ‘area-specific percentage’ is 70 percent and the ‘national percentage’ is 30 percent.

“(C) For purposes of subparagraph (A)(i), the area-specific adjusted capitation rate for a medicare payment area—

“(i) for 1997, is the average of the annual per capita rates of payment for the area for 1994 through 1996, after adjusting the 1994 and 1995 rates of payment to 1996 dollars, increased by the national average per capita growth percentage for 1997 (as defined in subparagraph (F)); or

“(ii) for a subsequent year, is the area-specific adjusted capitation rate for the previous year determined under this subparagraph for the area, increased by the national average per capita growth percentage for such subsequent year.

“(D)(i) For purposes of subparagraph (A)(i) and subparagraph (A)(ii), the input-price-adjusted national adjusted capitation rate for a medicare payment area for a year is equal to the sum, for all the types of medicare services (as classified by the Secretary), of the product (for each such type of service) of—

“(I) the national standardized adjusted capitation rate (determined under clause (ii)) for the year,

“(II) the proportion of such rate for the year which is attributable to such type of services, and

“(III) an index that reflects (for that year and that type of services) the relative input price of such services in the area compared to the national average input price of such services.

In applying subclause (III), the Secretary shall, subject to clause (iii), apply those indices under this title that are used in applying (or updating) national payment rates for specific areas and localities.

“(ii) In clause (i)(I), the ‘national standardized adjusted capitation rate’ for a year is equal to—

“(I) the sum (for all medicare payment areas) of the product of (aa) the area-specific adjusted capitation rate for that year for the area under subparagraph (C), and (bb) the average number of standardized medicare beneficiaries residing in that area in the year; divided by

“(II) the total average number of standardized medicare beneficiaries residing in all the medicare payment areas for that year.

“(iii) In applying this subparagraph for 1997—

“(I) medicare services shall be divided into 2 types of services: part A services and part B services;

“(II) the proportions described in clause (i)(II) for such types of services shall be—

“(aa) for part A services, the ratio (expressed as a percentage) of the national average annual per capita rate of payment for part A for 1996 to the total average annual per capita rate of payment for parts A and B for 1996, and

“(bb) for part B services, 100 percent minus the ratio described in item (aa);

“(III) for part A services, 70 percent of payments attributable to such services shall be adjusted by the index used under section 1886(d)(3)(E) to adjust payment rates for relative hospital wage levels for hospitals located in the payment area involved; and

“(IV) for part B services—

“(aa) 66 percent of payments attributable to such services shall be adjusted by the index of the geographic area factors under section 1848(e) used to adjust payment rates for physicians’ services furnished in the payment area, and

“(bb) of the remaining 34 percent of the amount of such payments, 70 percent shall be adjusted by the index described in subclause (III).

The Secretary may continue to apply the rules described in this clause (or similar rules) for 1998.

“(E) For each year, the Secretary shall compute a budget neutrality adjustment factor so that the aggregate of the payments under this section shall be equal to the aggregate payments that would have been made under this section if the area-specific percentage for the year had been 100 percent and the national percentage had been 0 percent.

“(F) In this section, the ‘national average per capita growth percentage’ is equal to the percentage growth in medicare fee-for-service per capita expenditures, which the Secretary shall project for each year.

“(5)(A) In this section, except as provided in subparagraph (C), the term ‘medicare payment area’ means a county, or equivalent area specified by the Secretary.

“(B) In the case of individuals who are determined to have end stage renal disease, the medicare payment area shall be specified by the Secretary.

“(C)(i) Upon written request of the Chief Executive Officer of a State for a contract year (beginning after 1997) made at least 7 months before the beginning of the year, the Secretary shall adjust the system under which medicare payment areas in the State are otherwise determined under subparagraph (A) to a system which—

“(I) has a single statewide medicare payment area,

“(II) is a metropolitan based system described in clause (iii), or

“(III) which consolidates into a single medicare payment area noncontiguous counties (or equivalent areas described in subparagraph (A)) within a State.

Such adjustment shall be effective for payments for months beginning with January of the year following the year in which the request is received.

“(ii) In the case of a State requesting an adjustment under this subparagraph, the Secretary shall adjust the payment rates otherwise established under this section for medicare payment areas in the State in a manner so that the aggregate of the payments under this section in the State shall be equal to the aggregate payments that would have been made under this section for medicare payment areas in the State in the absence of the adjustment under this subparagraph.

“(iii) The metropolitan based system described in this clause is one in which—

“(I) all the portions of each metropolitan statistical area in the State or in the case of a consolidated metropolitan statistical area, all of the portions of each primary metropolitan statistical area within the consolidated area within the State, are treated as a single medicare payment area, and

“(II) all areas in the State that do not fall within a metropolitan statistical area are treated as a single medicare payment area.

“(iv) In clause (iii), the terms ‘metropolitan statistical area’, ‘consolidated metropolitan statistical area’, and ‘primary metropolitan statistical area’ mean any area designated as such by the Secretary of Commerce.

“(6) Subject to subsections (c)(2)(B)(ii) and (c)(7), if an individual is enrolled under this section with an eligible organization having a risk-sharing contract, only the eligible organization shall be entitled to receive payments from the Secretary under this title for services furnished to the individual.”

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1996.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON INDIAN AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to conduct three (3) consecutive hearings during the session of the Senate on Wednesday, April 17, Thursday, April 18, and Friday, April 19, 1996, on the President's budget request for fiscal year 1997 for Indian programs and related budgetary issues from fiscal year 1996. The hearings will be held at 1:30 p.m. each day in room 485 on the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday April 17, 1996, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, April 17, 1996, beginning at 10 a.m. until business is completed, to hold a hearing on campaign finance reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Select

Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, April 17, 1996, at 2 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT
AND THE COURTS

Mr. HATCH. Mr. President, I ask unanimous consent that the Administrative Oversight and the Courts Subcommittee be authorized to meet during the session of the Senate on Wednesday, April 17, 1996, at 2 p.m., to hold an executive business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS, HISTORIC
PRESERVATION AND RECREATION

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, April 17, 1996, for purposes of conducting a subcommittee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S. 128, a bill to establish the Thomas Cole National Historical Site in the State of New York; S. 695, a bill to provide for the establishment of the Tallgrass Prairie National Preserve in Kansas; and S. 1476, a bill to establish the Boston Harbor Islands National Recreation Area.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Readiness of the Committee on Armed Services be authorized to meet at 9:30 a.m. on Wednesday, April 17, 1996, in open session, to receive testimony on the privatization of Department of Defense depot maintenance and other commercial activities.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

VETERANS AND SPENDING REDUCTIONS

• Mr. SANTORUM. Mr. President, I wanted to take a few additional minutes today to talk through my recent discussions with veterans' organization from Pennsylvania about legislation recently introduced by Senator SIMPSON.

Senator SIMPSON, at the request of four major veterans organizations, has introduced legislation addressing various inequities in the manner in which we treat the health of our Nation's veterans. Many of those issues addressed in the bill speak to issues I have witnessed, discussed, and worked on during my 5 years in Congress and as a former member of the House Veterans'

Affairs Committee. Issues relating to the care and treatment of veterans and efforts to improve the veterans' health delivery system are very familiar and important to me.

Mr. President, I was born and raised on the grounds of a VA hospital facility, and I understand the concerns of veterans in this matter. My mother and father spent their careers working for veterans in Veterans' Administration hospitals. Our veterans fought on many battlefields to preserve the liberty of succeeding generations of Americans.

Today, one of the greatest threats to our children and grandchildren is not as much the imminent outbreak of war and the subsequent call to service, but rather the massive national debt and annual Federal deficits. If nothing is done, the next generation will face a future of diminished opportunity and a declining standard of living.

While service to our country has entitled veterans to very unique benefits that are available to no other single group of Americans, these benefits are by no means the root cause of our huge Federal deficits. I have fought against unnecessary cuts in veterans' programs that would have compromised our Nation's commitment to those who have served in defense of our freedom.

At the same time, however, any new spending on veterans' programs or benefits must be treated with an equal eye toward fiscal responsibility—sufficient spending reductions must occur within the Veterans' Administration itself or in other areas of Federal spending. At this time, the Simpson bill carries with it a revenue effect of \$13 billion in new spending. I believe that the sponsor and I would both acknowledge that this bill should not move through the legislative process without a corresponding \$13 billion in spending reductions.

These rules and budget realities are the same that I have operated under during my entire service in Congress. Recently, I fought on the Senate floor for sufficient spending reductions of \$1.2 billion to cover and offset the costs of Federal disaster assistance, a large portion of which would benefit Pennsylvania communities as we rebuild from a blizzard and flood-ravaged winter. And in continuing to address the needs of our Nation's veterans, I will maintain this same standard.

Until such spending reductions are finalized and presented, Mr. President, I will temporarily withhold my own efforts and development on S. 1543. I understand that the administration is working on a legislative proposal similar to the Simpson bill, and that they are working through the same budget realities in producing a revenue neutral package. I remain committed to supporting our Nation's veterans. I support the direction and concept of the Simpson bill, and I will work with the sponsor to find cuts to pay for the costs of the bill. •

BOSTON'S ENGLISH HIGH SCHOOL

• Mr. KERRY. Mr. President, on Thursday, April 25, 1996, the English High School in Boston, MA, will be celebrating its 175th anniversary. The oldest public high school in the United States, English High School has changed with the times but has always maintained a high standard of education and compassion for its students. With award-winning teachers, students, and graduates, Boston English High is among the finest educational institutions in our Nation.

I would like to take this opportunity to recognize the English High School and join with the Boston Public Schools in celebrating its 175th anniversary. •

MISSED VOTES ON APRIL 16, 1996

• Mr. MURKOWSKI. Mr. President, while the Senate was in session yesterday, I was unable to participate in our proceedings because I was attending the funeral of my late uncle, Harry Murkowski, in Washington State.

My late uncle, Harry was 92 when he passed away late last week. He was the last of my relatives who was of my parents' generation and I felt it was important that I share my mourning with members of my family.

Harry, who was widowed several years ago, lived in Puyallup and Enumclaw, WA, worked his entire life as a fire fighter on the McChord Air Force Base. He is survived by his daughter, Beth Newman.

Mr. President, yesterday I missed two rollcall votes because of my attendance at the funeral. The April 16, CONGRESSIONAL RECORD reflects how I would have voted, had I been here to participate in the Senate debate. As the RECORD reflects, my vote would not have changed the outcome of either vote. •

BAD LAW ON AFFIRMATIVE ACTION

• Mr. SIMON. Mr. President, one of the recent decisions that was a most unfortunate one was the decision by the U.S. Court of Appeals that colleges and universities cannot keep in mind diversity as they put together a student body.

No one was advocating quotas in this case, nor advocating that people who are not qualified should be admitted.

But to deny that diversity is part of the learning experiences of colleges and universities is to deny reality.

I hope the decision will be overturned.

We have enough backsliding in the field of race relations. We do not need to add the handicap of a bad court decision as another barrier.

Recently, Anthony Lewis had a column titled, "Handcuffs on Learning"; and the New York Times had an editorial titled, "Bad Law on Affirmative Action". I ask that both articles be printed in the RECORD and I urge my colleagues to read them.